

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1897

ANSWERED ON:03.08.2001

BOTTLING OPERATIONS BY HINDUSTAN COCA COLA HOLDING PVT. LTD.

CHINTAMAN NAVSHA WANAGA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Hindustan Coca Cola Holding Private Limited has been allowed to set up downstream ventures for Bottling operations in India with condition to 49 percent equity of Indian shareholders;
- (b) if so, the details thereof;
- (c) whether said condition has not been fulfilled by the company till today;
- (d) if so, the action taken / proposed to be taken by the Government in this regard;
- (e) whether said company has requested to extend further period of 5 years to bring 49% for the equity to Indian shareholder; and
- (f) if so, the reaction of the Government thereto ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (f): Hindustan Coca Cola Holdings Private Limited (HCCHPL) has been granted foreign collaboration approval dated 17.7.97 for setting up two downstream subsidiaries for bottling operations with the condition that HCCHPL will ensure Indian participation of upto 49% in each of the two downstream subsidiaries proposed to be set up , over a period of 5 years, i.e., by 16.7.2002. The request of HCCHPL for extension of period for divestment of 49% equity stake in its subsidiary namely M/s Hindustan Coca Cola Beverages Private Limited (HCCBL) in favour of Indian residents, for a period of 5 years beyond 16.7.2002 to bring an Indian partner, was considered and not acceded to in view of the fact that the 5 - year period within which divestment was to be made would come to an end only in July 2002 and at present there was no substantive or compelling reason to dilute the condition of divestment. Presently, there is no proposal from the company in this regard pending consideration of the Government.